Social Business Model for Sustainable Societies : Lessons from Communities in Brazil and Japan Part II : case Studies in Brazil and Japan

Social Business Model for Sustainable Societies: Lessons from Communities in Brazil and Japan Part II[1]

Case Studies in Brazil and Japan[2]

Edson Kenji Kondo[3]

Abstract

This second part of the two-part article presents the results of field studies of social movements and community initiatives in Brazil and Japan. The initiatives in the two countries are significantly different in their origins, but both are directly linked to new and more socially relevant ways of producing goods. The SBMSS framework showed that it can be useful in understanding how some factors can work in favor or against the struggle toward sustainability. While in Japan, the external factors showed the need for change and helped the process, in Brazil, these same factors worked in different ways for the traditional people of the Amazon and for the landless rural workers from Southern Brazil. For the former, the combination of a long struggle, low population density, and the national and international concern for the Amazon produced a defining change in the institutional background granting them key rights to self rule. For the latter, the landless rural workers, the extremely slow pace of change in the external factors forced the movement to rely on a strong internal organization that helped many settlements to make progress towards sustainability.

1 This research was partially supported by the "Trans-Disciplinary Research on Mind and Spirit for Sustainability Project," the Master's Program in Area Studies, and "The State, The Civil Society, and Culture in Comparative Perspective" project, all from the University of Tsukuba, and by the Sanko Group. We are indebted to Mr. Ciro Correa, Mr. Frank do Rego Campos, Mr. Antonio de Oliveira (Seu Mucura), Mr. Konosuke Katano, Mr. Toshiaki Fukuda, Mr. Yukio Kokubo, and many others who provided invaluable support to our field studies.

2 The data and photos used in this article were collected during field visits carried out during short visits between March and November 2004 in Brazil and Japan. During the first mission to Brazil, this author was accompanied by Mr. Nobumitsu Doi, an environmental consultant, Ms. Maria Majella Rio, at the time a master student at the University of Tsukuba, and Mr. Yoshisuke Akimoto, at the time a master student at the University of Tokyo. The visits in Japan were carried out by the author and Mr. Nobumitsu Doi.

3 Professor, Doctoral Program in Modern Cultures and Public Policy, Graduate School of Humanities and Social Sciences, University of Tsukuba, Japan.

1. The Movement of the Landless Rural Workers in Brazil[4]

1.1. Introduction

The Movement of the Landless rural workers People (MST) originated as the result of severe social and economic conditions that required some outlet for landless peasants to act and attempt to escape from their deprived state. The MST was preceded by several peasant movements since the 1950s, and a series of events that took place in the late 1970s led to its creation on January 21, 1984.

Brazil's agriculture started a process of export oriented agricultural production in the 1970s. The introduction of soybean increased mechanization, which was already affecting cotton and coffee production, and as a result many small farmers lost their jobs. Also, the large producers expanded by displacing peasants from traditional areas of family farming. Displaced peasants had two options: either go to urban slums or go to agricultural frontiers deep in the Brazilian hinterlands. This second option was encouraged by the Brazilian government keen to exploit wood, metals and precious stones with the added strategic aim of populating Brazil's international frontiers. (Harnecker, 27-9).

In the late 1970s, the petroleum boycott and other causes led to industrial crisis and unemployment grew in the cities. At the same time, the colonization programs in the Amazon were showing the first signs of failure due to lack of infrastructure, poor soil, diseases, and a new wave of land purchases by businessmen and multinational corporations. Displaced from their small properties, and back from failed colonization programs in the tropical hinterlands, a large number of landless peasants had nowhere to go. (Harnecker, 28-9).

Some of the displaced peasants in the state of Rio Grande do Sul invaded the Nonoai Indian reservation located in northern Rio Grande do Sul, near the border with Santa Catarina State. The Kaigang Indians, justifiably concerned with the situation, decided to take action and in May of 1978 expelled the 1200 peasant families. The desperate families once again had nowhere to go and camped by the roadside in Ronda Alta. Following a series of tense negotiations with the government, 118 families decided to settle in Bage, in Southern Rio Grande do Sul near the border of Argentina. Another 500 families decided to settle in Mato Grosso, a remote area about 1500 km north of Ronda Alta. In September 7 about 110 of the remaining 500 families who did not accept the previous offers (arguing that these locations were improper for agriculture) invaded the Sarandi Fazenda, a large allegedly unproductive private property. In spite of police pressure, they resisted eviction and after tense negotiations, the Governor finally authorized them to stay in the land. This historic victory sparked several other successful invasions, which led to the creation of the MST on January 21, 1984. (Harnecker 31-38).

4 Movimento dos Trabalhadores Sem Terra (MST).

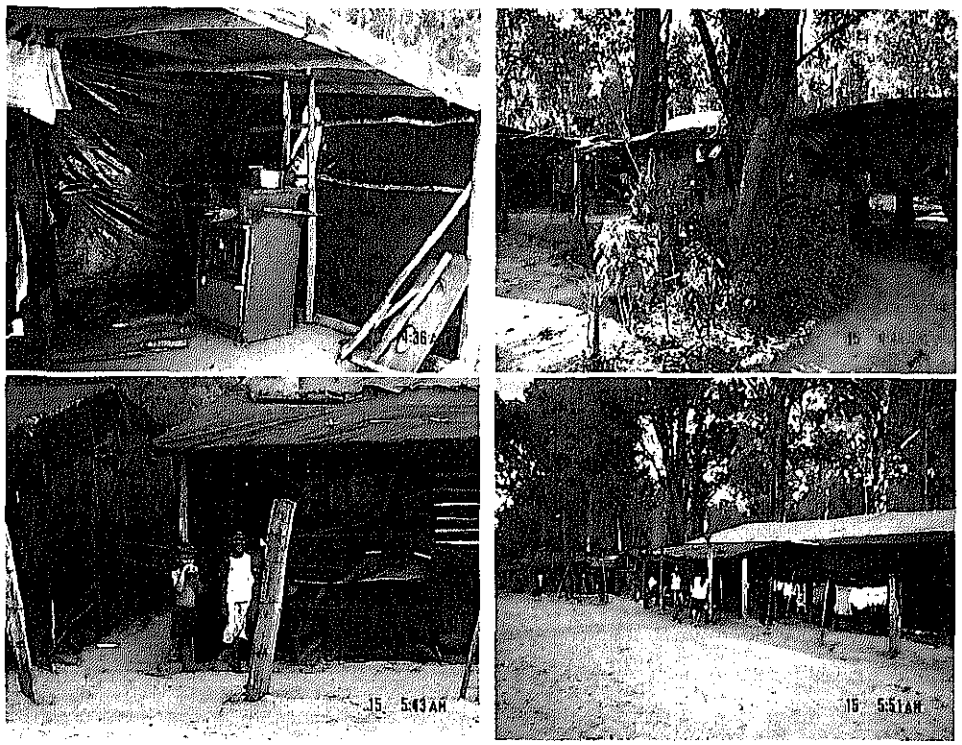

Figure 1: Views of the *Eldorado do Sul Camp*[5] in Arroyo dos Ratos, in the state of Rio Grande do Sul.

In two decades of existence, MST has settled 1.3 million people, which has dramatically changed the life prospects of otherwise hopeless, exploited, and landless peasants of Brazil.

1.2. A Typical Settlement: The Assentamento Trinta de Maio

A typical settlement is comprised of about 30 to 50 families. Generally, these families already share some common bond built during the period of camping[6] and are the result of affinities such as common geographic origin, shared cultures and values, or similar expectations on how they want to organize their future settlements.

The size of the plot each family receives varies from about 8 to 25 hectares depending on the

5 The camp is the first stage when landless people occupy unused private or public land to apply pressure on the government and request the distribution of land to them.

6 The camping is the initial stage, when the landless invade an unproductive private property or public land to pressure the government to solve their plight. This is a period in which they stay under makeshift plastic tents, under severe conditions of survival and the constant threat of eviction from police or hired gunmen. Due to such threats, it is rare for a camp to stay long in one geographical location, moving from place to place depending on the circumstances. This camping stage usually lasts about 2 to 3 years, but there are cases in which this stage has continued for longer periods of five years or more. For instance, a young member of MST from Sergipe state mentioned that they were entering the seventh year of camping.

region and the quality of the land. According to active members of the movement, there is a minimum size below which a family cannot be sustained. According to their past experience, plots that are too small have led settlements to fail.

Several settlements were visited in Brazil but due to the restricted scope of this article we will focus on the case of the *Assentamento*[7] *Trinta de Maio* (hereinafter referred to as Trinta de Maio). The Trinta de Maio is located in the municipality of Charqueadas, about 50 km west from Porto Alegre, the capital city of the Rio Grande do Sul state. The settlement can be reached after traveling the final 9 km on a dirt road.

The fight for the settlement started 18 years ago, in 1987. Brazil was still fresh out of the military government, and the Minister of the Agrarian Reform at the time was the notorious politician Jader Barbalho. The President at the time, José Sarney, had promised the settlement of 1 million landless families, and expectations were high.

During the initial three years, the people who came to form the Trinta de Maio were part of a group of about 700 families fighting for the right to live and work. Over the course of several years, they occupied 15 different areas and built temporary camps every time. Given that these occupations of private or public land were done without the agreement of the property owners or local authorities, the families were expelled either by the police, by the gunmen hired by the property owners, or both. In May 1989, the camp they had invaded suffered the toughest police siege which lasted 30 days. According to Leonir, who participated in these occupations, some of their friends were killed and mothers lost their unborn babies due to attacks by poisonous products sprayed by airplanes and helicopters. Leonir, who treated us with a healthy dinner during our stay in their settlement, could barely recall these episodes so hard and painful were these recollections. In memory of one of the toughest moments of their struggle for land, they named the land they finally conquered as "Assentamento Trinta de Maio."[8]

The Trinta de Maio came to life in 1990, and 46 families were granted the opportunity to work 850 hectares of land. As they settled in the land they realized that nobody knew anything about management or had any other necessary skills for such a large undertaking. Few, if any, had had more than five years of formal education. The settlers decided then to organize what they called a field laboratory (laboratório de campo), a kind of a workshop, for the initial period of 30 days. Seventeen courses were carried out during these initial 30 days. The courses dealt with practical techniques related to the economic needs of the settlement but also included activities related to the dreams that individual settlers had nurtured for a long time. As a result, a few of these dream-related courses such

7 The Portuguese word *assentamento* means settlement.

8 *Trinta de Maio* means "thirty of May."

as sewing, chess, journalism, management, and guitar were also carried out, and at the end of the 30-day-period, the Farming and Cattle Raising Cooperative of Settlers of Charqueadas (COPAC)[9] was founded.

Although they had received the permission to use the land, the land was bare and their possessions were limited to little more than the black plastic sheet brought from the camp for shelter. Since no trees were available, the settlers began by planting a number of eucalyptus trees to be used later as raw material for building their houses. It took them about a year to leave their black plastic sheet tents and move into their barebones house made from the eucalyptus trees. Every now and then they improved their homes, and in 2004, after 14 years, they were installed in very clean and comfortable houses.

The history of the rise of MST is a history of struggle, adaptation, and evolution for survival. It is the history of people who were largely abandoned by the state. Because the open channels with the government available in Brazilian society were either too narrow or too restricted for them to enter, they found themselves completely out of the existing legal space, and the only way for them to get out of that situation was to "forcibly" claim their fair share of resources for survival. For those living in the rural areas, the way out was to obtain land to work and produce.

1.3. Relation with SBMSS

In some ways, the MST has partially inspired the SBMSS framework. Fighting against a system that left or pushed millions of peasants into poverty and despair, the real challenge faced by the MST was to prove that they had a viable "business model" to succeed once their demands for land were met. In this regard, the movement faced a gigantic challenge when not so fertile land in remote areas

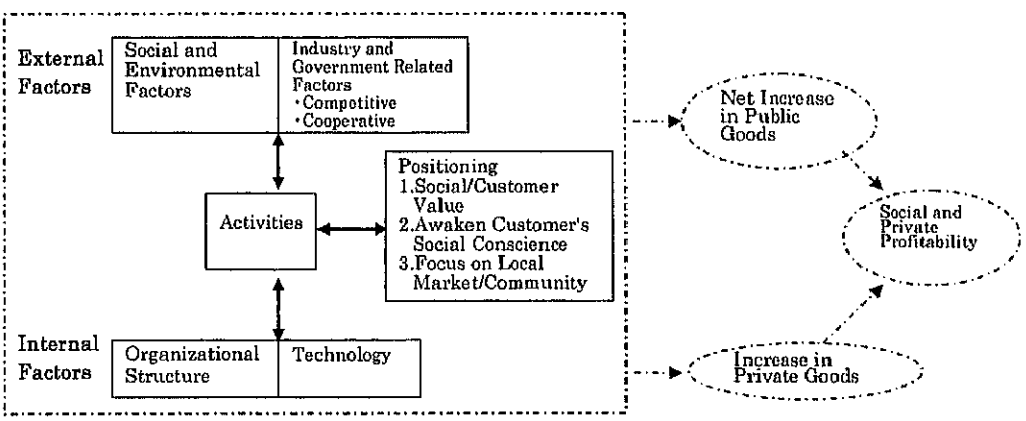

Figure 2: The Social Business Model for Sustainable Societies

9 Cooperativa de Produção Agropecuária dos Assentados de Charqueadas

were granted during the military rule, when there was a strategic interest in promoting migration to the Amazon region to secure it against invasion by migrants or settlers from neighboring countries.

While the SBMSS framework has taken some inspiration from the MST, its theoretical underpinnings are based on the broader discussions of sustainability, where preservation or recovery of current ecosystems are balanced with the need of human societies to use some of nature's outputs to improve their material quality of life. Furthermore, the term human society means all members, particularly the poorest and the weakest, and not only the wealthy who are consuming much more and having a disproportionate impact on the earth's ecosystems as shown by indicators like the ecological footprint[10].

It is interesting to see that MST members act and behave in a way different from that predicted by the current and dominant neoliberal economic thinking. Given that they had been displaced and marginalized by the workings of the neoliberal system, it seems natural to expect that they would try to create an alternative system. However, how could they be part of the market system, largely functioning based on the tenets of the neoliberal thinking, and at the same time act differently? Certainly, MST's attempt to function differently from traditional economic actors is a continuous struggle alternating advances and setbacks, but persistently searching for a system that might not discriminate against the weakest members of society.

The SBMSS framework is an attempt to create a tool that can, on one hand, describe the functioning of organizations that cares about people and, on the other, provide a general guide that can identify the most fundamental areas in traditional orgamizations where change is needed. In concrete terms, it is hoped that the SBMSS framework might be useful in showing how communities and organizations can fulfill human needs while simultaneously improving the environment and the lives of the most disadvantaged people.

1.4. External Factors in MST

When a business leader uses a business model to establish a strategy, she always has the option of pulling out or avoiding entering a market if she sees that these factors cannot be used to her advantage. The landless people, of course, did not have such a choice. As a result, the reader will notice a radical difference between typical business models used by firms and how the SBMSS advanced here can be used. It can certainly be used by a firm that wants to overhaul its procedures and become a truly socially responsible firm. However, when analyzing the plight of disadvantaged groups in society, the framework is more of a tool to help the external observer understand the huge barriers created by "society" against these groups. If any group is fighting for a space under the sun,

10 See Kraft (2004), Wackernagel and Rees (1996), or Venetoulis, Chazan, and Gaudet (2004) for explanations and illustrations on the ecological footprint.

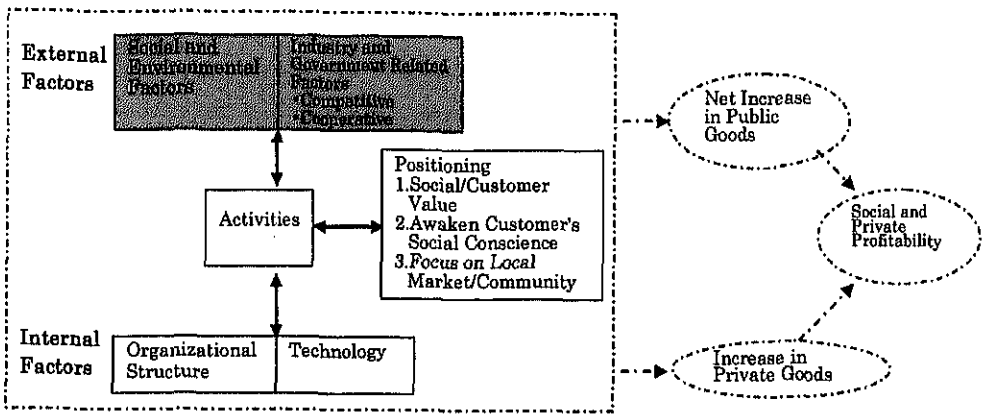

Figure 3: The External Factors in the SBMSS framework.

they are doing so because they are either disadvantaged or marginalized in society, and this means that in all likelihood the external environment (or external factors) affecting their life is clearly stacked against them.

The same applies for the industry and government related factors. Social movements arise because the government, due to several reasons, has failed to provide adequate opportunities to these segments, either by inaction or by purposely creating exclusionary rules. The social movements, therefore, are just trying to change the rules that are unfavorable to them. For instance, Nina, a resident of Trinta de Maio, mentioned about the barriers that certain standards required for commercialization of food products represent to small (formerly landless or otherwise) farmers. Many products, such as milk, need to be processed and industrialized to obtain license for commercialization. Such rules (which could be improved with the addition of simple conditional exceptions) make small producers dependent on large industrial corporations, reducing their margins of return to the bare minimum.

Through the 1970s, failed settlements in the Amazon region showed the hopeful peasants that the promising huge tracts of land were not appropriate for agriculture, and even when some initial production was possible, markets were so far away that they could not take advantage of any surplus production. As a result, they started demanding land in less remote areas and more appropriate to agriculture. However, through their struggle to have a piece of land to cultivate, whenever the government was willing to negotiate, they would first offer land in remote areas, and only those who persisted for several years would finally obtain land in places with a decent chance for agricultural production. Therefore, while an entrepreneur looking for land to start or expand his or her business in agricultural production could choose land that fulfilled what he/she thought were the necessary conditions for success such as fertility, availability of sources of water, quality of water, average amount of rain per year, average temperature and humidity, etc., the landless would have to choose

among the few poor choices, and often with the soil that had been already exhausted by intense use of chemical fertilizers, pesticides and the like.

With the field already so slanted against them, these landless peasants needed to find an effective alternative to overcome all these challenges and enable themselves to minimally participate as equally deserving members of society.

In spite of all such challenges, the movement has successfully grown to house approximately 1.3 million people in Brazil. It is uncertain as to whether their success can be credited to a unique organizational structure they have created, but it is clear that their organization has given strong emphasis to productive activities, which is the basis of their very survival. At the same time, themes such as cooperation, solidarity, gender equality and providing opportunities to all have become integral part of their organizational ethos, unlike their absence in traditional market driven firms.

1.5. Organizational Structure in MST

There are two types of organization in the Trinta de maio settlement. One is the group of 27 families who decided to work collectively, sharing everything related to productive activities. With regard to the more personal options, such as their own house, each family is free to choose and build its own. The other, is the group of 19 families who work individually, cooperating with each other in a less systematic way. For instance, each person has their own plot of about 18 hectares, and they individually decide what activities to carry out in the plot. They also cooperate by lending each other the necessary agricultural equipments, or organizing some activities together. In this document, we will focus on the organization of the collective group of 27 families organized under the Farming and Cattle Raising Cooperative of Settlers of Charqueadas[11] (COPAC).

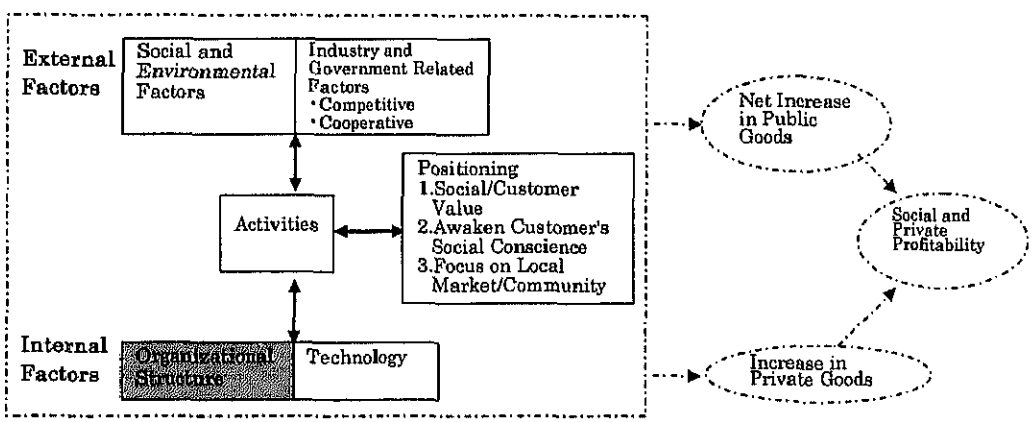

Figure 4: Organizational Structure in the SBMSS framework.

11 Cooperativa de Produção Agropecuária dos Assentados de Charqueadas

The COPAC has the structure of a cooperative with directors in five sectors:

1. Animal production (Gilberto Picoloto) — milk production, hog farm, chicken farm, and fish farm.
2. Agriculture (Pedro Wathier) — rice and orange are the main cultures. Corn and *feijão*, the Brazilian bean, are produced in smaller quantities for internal consumption.
3. Vegetable gardens (Leocir Cazaroto, aka Loa) — a variety of vegetables are produced for consumption and sale.
4. Social and Agro-industry (Gorete Cazaroto) — this sector is mainly concerned with people management and commercialization.
5. Supermarket (Lademir Trombeta) — this sector runs the supermarket located in the city of Charqueadas.

The directors of each of the above five sectors have a mandate of one year, and while some may become directors more than once, they usually do not stay for continuous mandates to give opportunity to other members of the cooperative to learn from the experience of being a director.

The revenue from the productive activities is divided proportionally to the time dedicated by each family, with part of the proceeds being saved for reinvestment in production facilities. In terms of hierarchy, Brazilian law establishes that a cooperative needs to have a board of directors with at least three positions: president, treasurer, and secretary. For the MST, however, the concept of one head (president) does not exist and although they have an official list of these officers, the decisions are actually made collectively by the whole group of individuals involved with the cooperative.

The supermarket, as explained above, is one of the five sectors in which the COPAC is divided. The supermarket is currently under the responsibility of Lademir Trombeta. Today, the supermarket is the most profitable unit of the cooperative. Pedro explained that in the beginning, everybody wanted to work in the supermarket, because the work seemed much lighter than work in the agricultural fields, and they could be out in the city which was seen as a neater place. With time, however, people learned that work in the supermarket was actually more restrictive because one had to rigorously follow time, leave at seven o'clock in the morning and return home only at eight thirty in the evening. In the fields, there are no customers waiting for you, so they could work with flexible hours.

It is interesting to note that, in addition to each community member's role as part of the workforce, each member is expected to play a role also in any of the following eleven sectors of general (public) interest:

1. Production, cooperation and environment
2. Education
3. Health
4. Policy and politics

5. Communications
6. Culture
7. Human rights
8. Gender
9. Projects and finance
10. International relations
11. Support for new camps[12]

Once a week, settlers meet in groups of 8 to 10 families and each person presents his or her reflections, news, ideas, and proposals in one of these sectors. Following these talks, each issue is discussed, and later presented in a larger forum of the entire settlement.

As already explained elsewhere in this text, the MST sees education as one of its most fundamental pillars. While the MST usually succeeds in having their children during the first four years of education to study in the on-site school, the municipal government requires, due to cost considerations, that higher grades be taken in the city. Although this option reduces the cost of education to the public coffers, Pedro explained that it has the negative effect of having the children lose contact with their own rural culture. The children can also be drawn by more materialistic and urban values. In order to avoid the cultural gap that can occur as well as other undesirable effects, the settlement organizes groups of "sem terrinhas," or landless children, who discuss the problems of the children in the settlements and camps and propose solutions.

The equal participation of the peasant women in the movement is pursued with determination and great care. The Movement understands that just encouraging women to participate in all activities and roles of the movement is not enough to bring about change in the conservative and male dominated rural environment. As a result, the MST encourages man to go one step further by taking the initiative in cleaning the house, taking care of the children, cooking, and the like. While there are individual and regional differences, and there is room for further progress, the movement has achieved respectable results in creating an environment where humanity takes precedence over traditional gender discriminatory views.

Notwithstanding those principles, the important thing for the MST is that each settlement finds the best way to relieve women from disadvantageous or subordinate roles and have opportunities to try new responsibilities if wished.

For instance, at Trinta de Maio, a daycare center was created by COPAC. Two of their members care for five children ages 1 to 5. In the area of preparing lunch, the families had decided to prepare

12 Called *Frente de Massa* in Portuguese.

lunch collectively in the central kitchen of COPAC, which reduced the burden of cooking generally done by women. With the inauguration of the supermarket, half the people went to work in the city, and then it became less practical to prepare a collective lunch. Therefore, the collective lunch moved to the supermarket, where division of work was more meaningful, and in the settlement, each family's cook, went home earlier to prepare lunch. As a matter of fact, the cooks were generally women, although in some cases there were also men.

One of the most interesting aspects of the Movement is the degree of flexibility that is given to each settlement, and to all levels of the organizations. At the grassroots level, and in a process that starts from the moment the landless person is discussing whether or not to join the movement, families are organized in the *core group of families (núcleos de base)*, which are groups of 8 to 10 families with affinities to each other. At the next level, camps and settlements are found. The number of people in a camp or settlement varies depending on the size of the land, but typically the size is from 100 to 200 people. The next level of agglutination is the state level, which ranges from a few thousands to about three hundred thousand. Larger states, such as Bahia, have an intermediate regional level with few hundred to few thousand people. Finally, at the national level, there are about 1.3 million people already settled, and between 500,000 to 1 million people in camps. At each level the units have a significant degree of freedom to organize themselves depending on their unique characteristics and needs.

The decision making is always done collectively with issues being discussed within each layer but also across layers down and back up, in a system that tries to get as close as possible to a consensual process. The levels are shown as "bubbles" because they represent levels of coordination only, and are not hierarchical levels. These bubbles always reach down to the grassroots, implying that the higher the level in which one is acting, the larger should the effort be to reach deep down and remain connected with the grassroots. At each level there is a large number of representatives, first to ensure wide participation, and second to ensure that the diversity of the people and their functions are properly reflected at each level. The criteria for choosing these representatives and coordinators vary depending on the state, but the size is generally proportional to the size of people represented. At the settlement level, the representatives are comprised by the coordinators of the core group of families and the directors of the cooperative(s) in the settlement. At all levels there is a great effort to maintain the gender balance at close to 50-50.

Many organizations talk about cooperation, but the extent to which the concept has been internalized by its members became very clear to me during the course of a conversation with Ciro Correa. Ciro was explaining how the MST had started in the business of organic seed production. Inexperienced, but observing that most seed production companies carried out the production of seeds in the state of Rio Grande do Sul, MST negotiated with a few seed companies to have some settlers from that state to be contracted for seed production in their new land. After a year, some were more

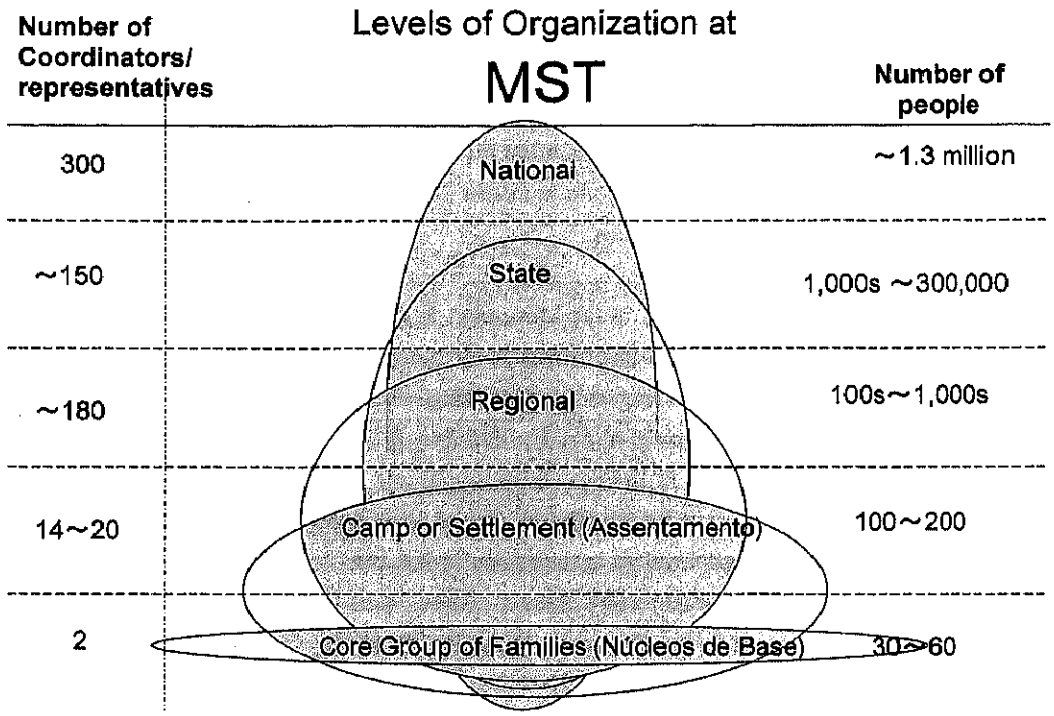

Figure 5: Level of Organization at MST

Source: Personal interviews with Geraldo Fontes, Ciro Correa, and representatives in visited settlements.

successful than others and the seed company decided to renew the contracts only with the most successful ones. MST did not agree with this very reasonable "economic" criterion. According to Ciro, "the less successful seed producers were the ones who needed more help, how could we abandon them?" As a result, the MST decided to start its own seed production business based on the concepts of cooperation rather than competition.

Finally, Figure 6 shows a comparison between the organizational ethos of a "normal" firm and MST, the main values driving the organization, and the effects produced in each case. At the least, the organizational structure of MST has the human being at the center, while the "normal" firm has the profit interest as the core concern.

1.6. Technology in MST

The main productive activities of the settlement are rice production, milk production, and vegetables. Pedro Wathier, one of the current directors of COPAC guided us through the productive activities of the settlement. He explained how the members of Trinta de Maio had initially wanted to become rich quickly like the large landowners they have seen their entire lives. They decided to emulate the production methods of these large landowners and adopted technology intensive

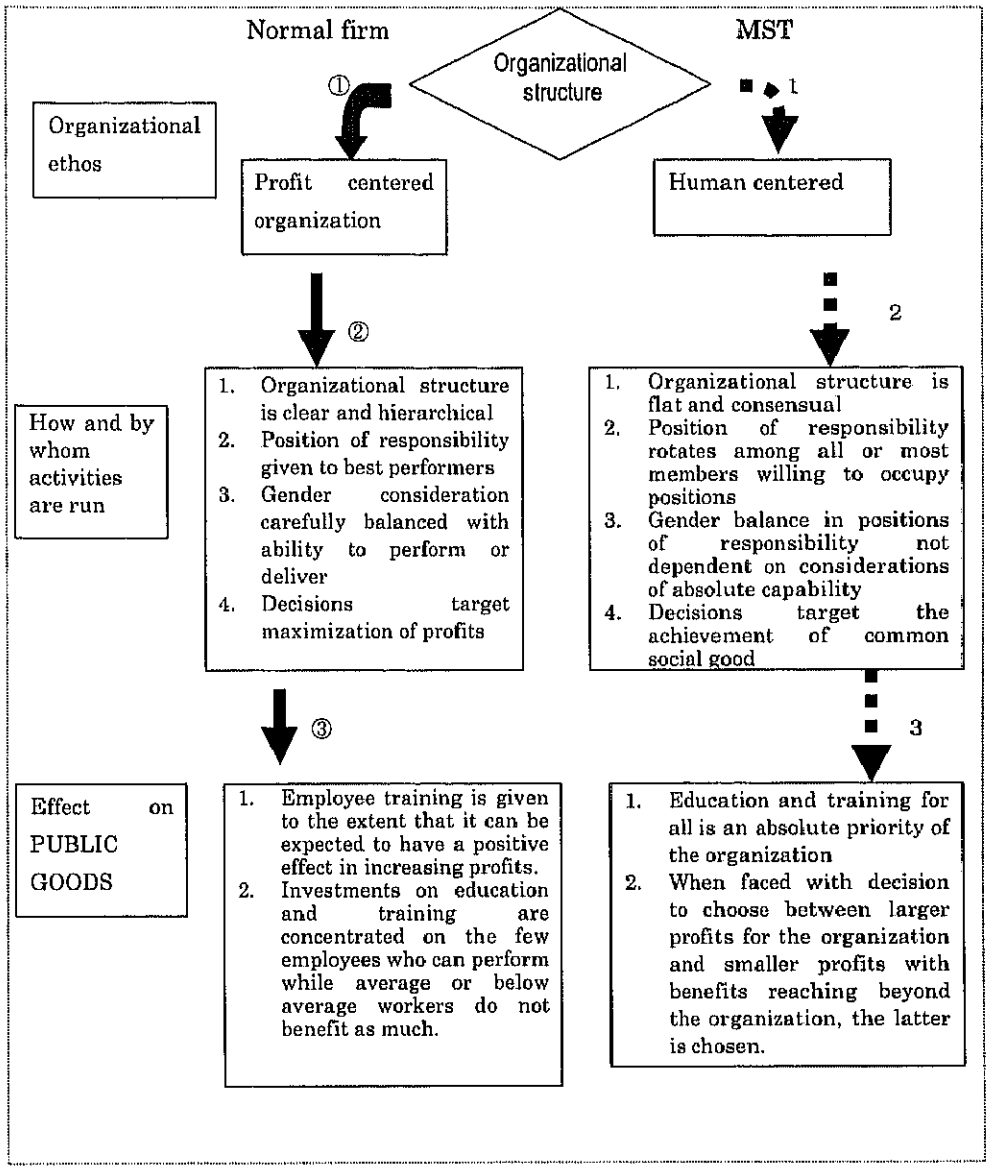

Figure 6: Comparison between traditional organizational structure and MST's.

agriculture with the use of chemicals, herbicides and pesticides. After five years, however, they found out that soil fertility was decreasing and they needed to use increasing amounts of fertilizers, which increased costs without increasing the yields. In addition, they found out that with large-scale monoculture, the soil was becoming compacted and salinized. After a period of discussion and reevaluation, the settlers decided to produce a large variety of vegetables, adopt a more earth friendly technology based on organic agriculture, and practice traditional techniques. Today natural insect repellents are used in the vegetable gardens and chemical pesticides are used only when absolutely needed. For soil management, they have adopted green manure crops as part of crop rotations (Figure

8), and the production of high quality humus using earthworms as composting agents, and bio-fertilizers (Figure 9). In the initial stages of transition, yields decreased significantly, but with learning it slowly grew to about half of previous levels with the advantage of reduced costs, improved quality of products, and increased food security in the settlement.

Most of Trinta de Maio's production today is organic, but certification is still a process in the working. According to Leocyr, their rice production was certified by a private company in 2003. In 2004, the company wanted to buy all the rice production and when refused by Trinta de Maio, the company decided to withhold certification. Now certification is being sought from a state organization.[13]

The refusal to use genetically modified organisms (GMO) or transgenic seeds is another central technological choice made by the Trinta de Maio. As explained in Part I, GMOs are the prime representative of the large scale monoculture technology with unresolved uncertainties regarding consumer safety and with the possibility of posing threats to food security by reducing the robustness of the more natural system made up of a large variety of species.

For their dairy operations (70 of a total of 300 are currently producing milk) they use the low-input Voisin Rational Grazing Management system.[14] The idea of the Voisin method is that plants and animals depend on each other and, by dividing the land in small paddocks that are grazed for only half a day, and then put to rest for about a month, the pastures are always in good condition and animals can feed on greener pastures. At the settlement there are about 207 paddocks, each 40 by 40 meters in size. According to Pedro Wathier, about 10 animals are left for about 4 hours in each paddock, and they will come back to the same place only after 45 to 60 days when the field has fully recovered (longer in summer, shorter during spring). In addition to the advantages mentioned above, Pedro explained that, by moving the herds daily, the cows do not spend much time with their dung, and even if they are sick with worms, the worms will not be able to complete their cycle and will die. Apparently, the same seems to happen with the cattle tick who became much less of a problem after the adoption of the Voisin method.

The hog farm and the chicken farm also follow similar principles and they stay in open fields (as opposed to confinement) for a good part of their lives. As a result, unlike the products from the big firms such as Sadia and Perdigao, the settlement's production is free of hormones, and their pork and chicken have a strong demand in the market.

13 Apparently MST had their reasons for not having sought state certification from the beginning, but that was not made clear at the opportunity.

14 The method was developed by Andre Voisin, a teacher at the Institute of Veterinary Medicine in Paris, and it first became popular in New Zealand. See Krieger (1994) for details.

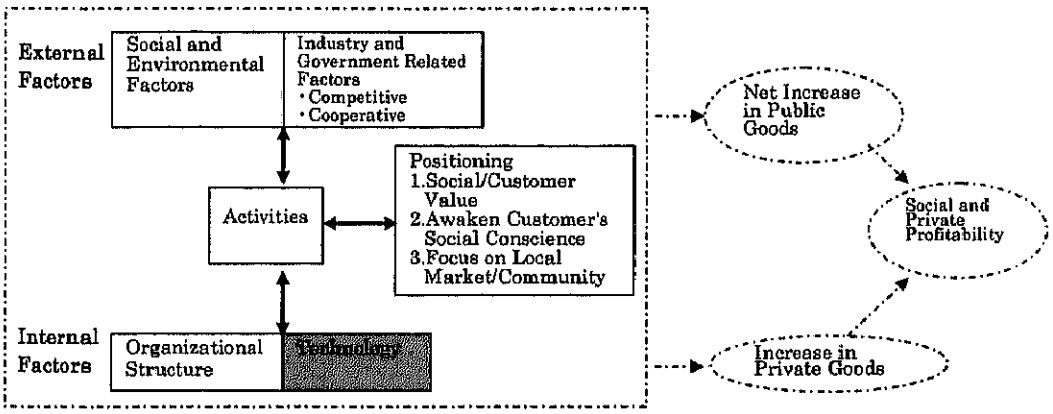

Figure 7: Technology in the SBMSS framework

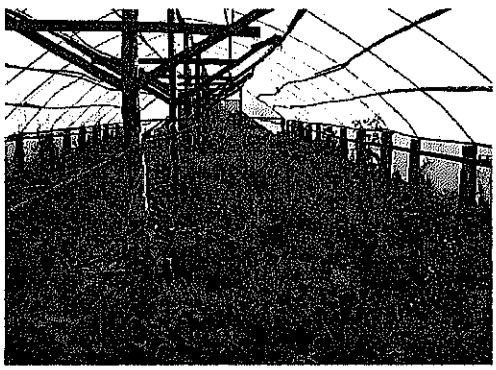

Figure 8: Use of green manure crops for crop rotation.

Figure 9: Humus produced with the use of earthworms

Figure 10: Confinement spaces using the low-input Voisin method

It can be observed that the technological choices made by Trinta de Maio improve the environment (avoidance of chemicals, respecting nature's cycle to recover, etc.), enhance the human contribution to output (labor intensive, rather than too much mechanization that replaces humans), and stimulates conviviality with a participatory and consensual decision making process. In addition, the choice of producing a large variety of vegetables enhances their self-sufficiency, and provides opportunities to all members of the community to learn a variety of skills in many fields.

As illustrated in Figure 13, the issue of appropriate technological choice is one that MST has struggled as an organization too, but it shows clear results in increasing benefits to the less privileged segments of society by increasing public goods in the community. The actual path followed by Trinta de Maio is illustrated by the circled numbers from ① to ⑥. Large agricultural enterprises are mostly using the technology choices ①, ②, and ③, and staying there. It is interesting to see that for small producers, like COPAC, it was very difficult to continue in this path, and the shift to ④, ⑤, and ⑥ turned out to be a better choice both for the environment and for the farmers themselves. The ideal path would have been 1, 2, and 3, i.e., adopting organic farming right away. The ① to ⑥ route

Figure 11: Hogs and poultry raised on the field.

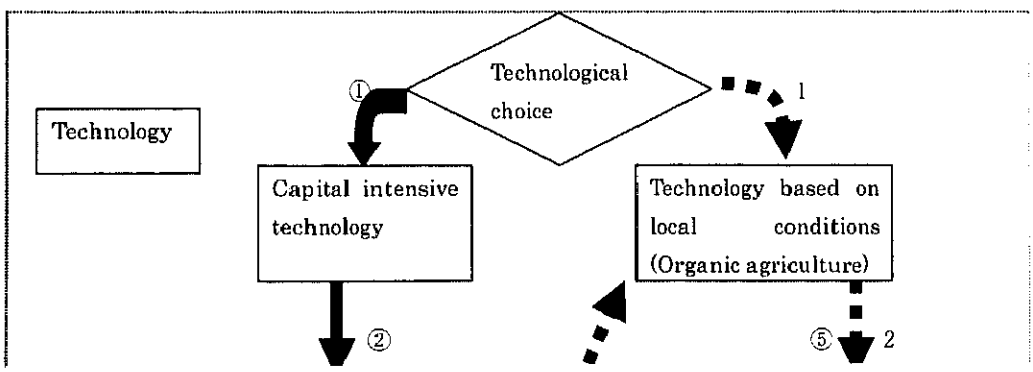

Figure 12: Convivial production.

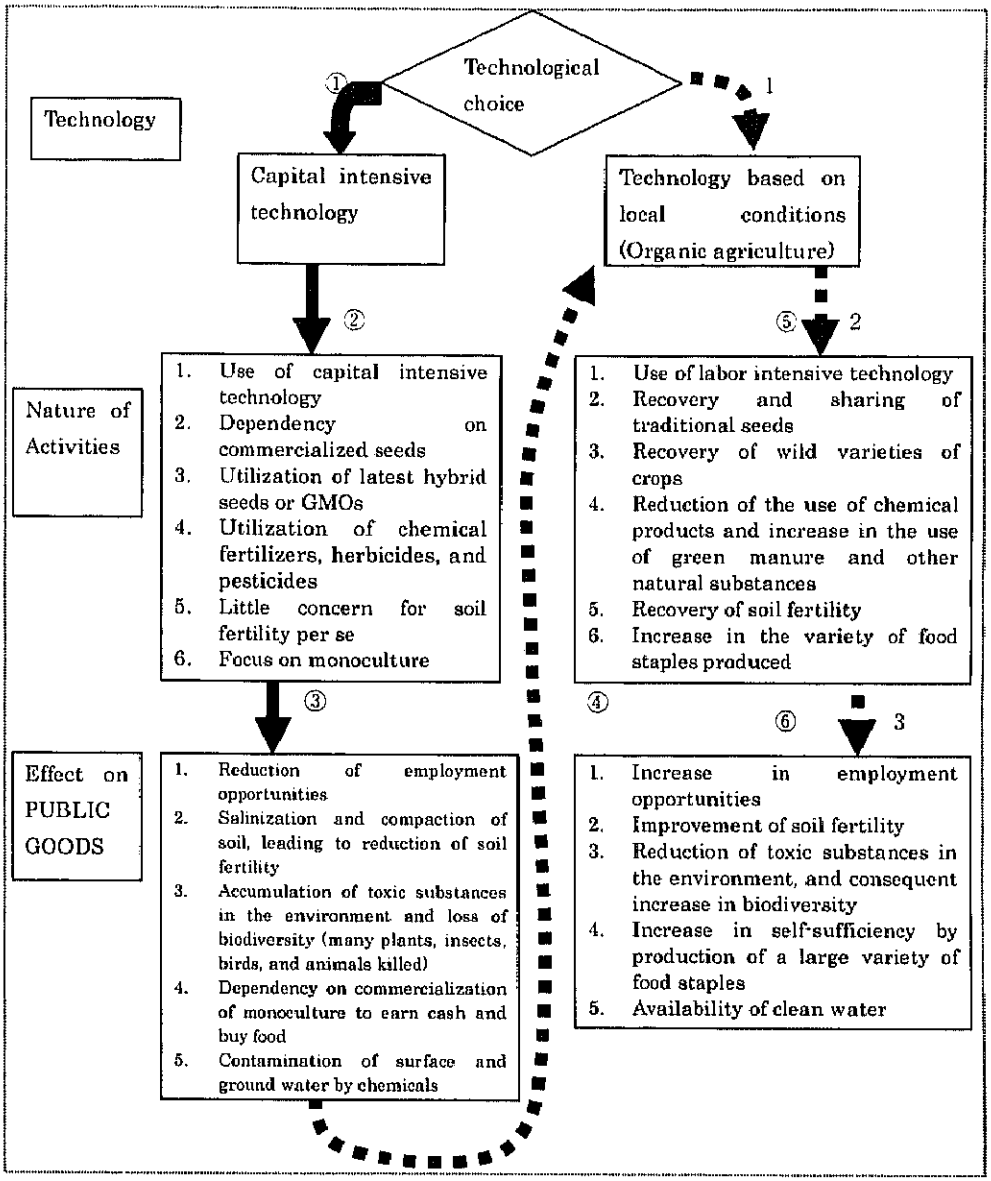

Figure 13: Ideal and actual path of technological choice at Trinta de Maio

involved a detour, but allowed them to reach a deeper understanding of the limitations of the green revolution technology.

1.7. Positioning

As explained earlier in Part I of this study,[15] the SBMSS does not only have the responsibility

15 See Area Studies Tsukuba 25:66.

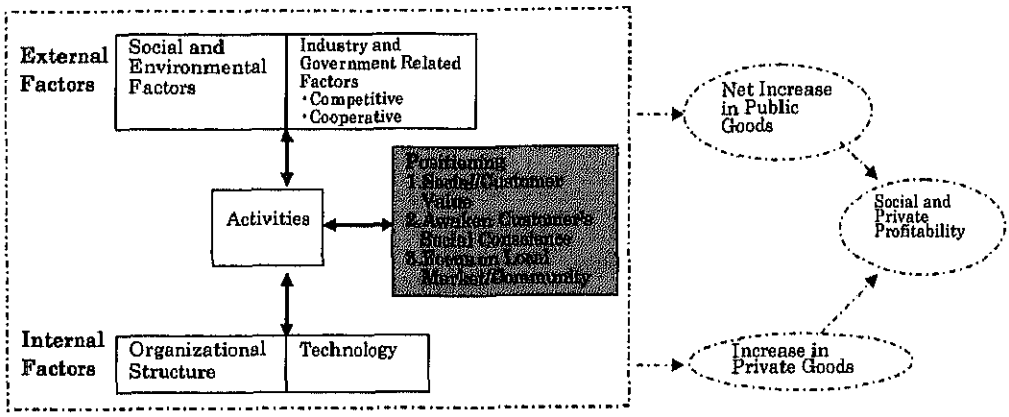

Figure 14: Positioning in the SBMSS framework.

of truthfully advertising the contribution of their product to the public good. Organizations accepting the challenge of adopting the SBMSS framework needs to go one step further and work towards a proactive "education of socially responsible behavior" with potential and actual consumers, in a way that the act of purchasing the product is not driven purely by their utilitarian need, but by their understanding that the act is a choice of principles by which a healthier and more dignified society can be built for all its members. In different words, we can say that the conscious purchasing choices by "educated" consumers will enhance the public good in the concerned community.

Therefore, the MST actively makes demonstrations, or stage activities such as "GMO labeling" day, to raise the awareness of the population with regard to socially irresponsible attitudes of certain companies.

Even though they work hard in trying to position themselves as producers of healthy and environmentally friendly food products, the Trinta de Maio faces its own contradictions.

According to Nina, eighty percent of the soybean production in Rio Grande do Sul is either GMO or it is contaminated by GMOs. Many products derived from soybean, such as soybean oil, are contaminated by GMOs. Greenpeace has tested a large number of products in Brazil and released a list of those containing GMOs. According to the list, chocolates, such as LACTA, are GMO tainted.[16]

The main problem in Brazil is that society has lost control of the process, and is unable to distinguish products "contaminated" with GMOs from those that are not. If labeling were actively pursued by the government, producers would have an incentive to distinguish between GMO

16 Interview with Nina, one of the leaders of Trinta de Maio, on March 14, 2004.

containing inputs and non-GMO containing inputs, because then consumers would be able to choose between GMOs and non-GMOs.[17]

Although the Trinta de Maio strives to produce goods without GMOs, and without chemical inputs, their supermarket sells a diverse line of products that are demanded by the community, although not directly produced by the Trinta de Maio settlement. Many of the popular industrialized food products are believed to be tainted with GMOs, and even though COPAC sees a contradiction in the fact that they fight against GMOs but they are themselves selling GMOs, they cannot see a way out unless the government implements strict labeling so that consumers and suppliers like their supermarket can choose between GMO and non-GMO products.[18]

Governmental action or lack of action is a big factor affecting the welfare of small producers like COPAC. Unlike the above case that illustrates government's lack of action, the requirement that some goods can only be commercialized if they are industrialized is another measure that significantly harms small producers without necessarily protecting the consumers. For instance, in the case of milk, which can only be sold if industrialized, COPAC cannot sell directly to retailers or consumers, but needs to sell to Nestle,[19] a large multinational company, which then industrializes and retails it.

1.8. Social and Private Profitability

It can be speculated that the particularly harsh external factors against the landless people stimulated MST to develop a cohesive organizational structure, with decisions always strongly based on the grassroots. At the same time, their technological choices made sense as those choices enhanced their role as central actors in the production process. The activities of the MST have in most places improved the availability of key public goods without neglecting the production of private goods necessary for survival and inproved quality of life.

Some examples of public goods and benefits are:

1. Increase in biodiversity as trees were planted to provide shade, agricultural production brought insects and birds, and use of compost instead of chemical fertilizers recovered the topsoil.
2. Reduction in the use of chemical fertilizers, herbicides, and pesticides, reduced the contamination of soil and water tables.
3. Recovery of members' self-esteem thanks to the opportunity to play a role within MST.
4. Significant opportunities for everyone to learn either in the form of courses, or in the form of taking responsibility in any of the eleven sectors of MST.

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17 Ibid.

18 Ibid.

19 According to Leocyr, milk processing and distribution in Brazil is largely controlled by two large companies, Nestle and Parmalat. There are other small ones, but most of them are controlled by these two giants. Personal communication, March 14, 2004.

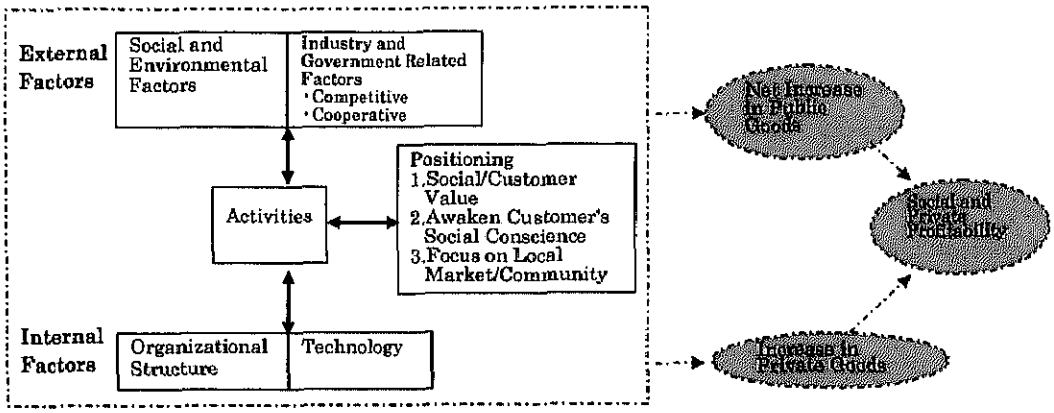

Figure 15: Public goods, private goods, and social profitability in the SBMSS framework

5. Recovery of the sense of citizenship of rural women, by helping them obtain identification documents and become less dependent on man.
6. New dynamism in the local market driven by the involvement, and mutual knowledge between producers and consumers that make local transactions more reliable.

At the side of the private goods, the only thing needed by the settlement was the production of enough to survive and continue making progress toward self-reliance:

1. Enough production to feed all members of the settlement with healthy and varied diet.
2. High demand for surplus production perceived as healthy by neighboring communities, bringing higher income to the settlement.

2. The Tapajos-Arapiuns Extractivist Reservation in the Brazilian Amazon

2. 1. Introduction

The extractivist reservations were the result of long standing demands by rubber tappers who lived from sustainable extraction of forest products, particularly the rubber trees known as *seringueira*. According to Mr. Antonio de Oliveira, aka Seu Mucura, rubber tappers had struggled for a long time in this Northeastern part of Para state. During the mid 20th century a group of businessmen were active in the town of Boim which had existed for about 250 years. These businessmen provided local rubber tappers with food staples, guns, ammunition and basic equipment in their search for new seringueiras. This time honored way to finance workers and lead them to an unpayable circle of debt would force rubber trappers to sell the trails they had opened to these businessmen. In the tradition of the region, those who open the trails become the owners of the rubber trees identified through this trail. Soon the businessmen became the owners of the land, and in the 1970s, after passing through the hands of few others, the land was bought by Amazonex and Santa

Isabel, two large lumber companies.

In 1975, local inhabitants met employees from these companies cutting trees. They claimed that the forest belonged to these companies. For the local residents, such arguments came as a shock. According to local tradition, people could be owners of trails to tap rubber from the trees, but they would do this in a way that would not damage the trees, and rubber could be tapped as long as the tree lived. To own a trail meant protecting the trees. Exactly the opposite of what the lumber companies were doing: destroying the forest. According to Seu Mucura, the extent of destruction was hard to imagine without actually seeing it. Because those huge trees have to be taken out from the forest, huge tractors destroyed large swaths of forest to create a road to take the woods. Destroying those enormous trees was bad in itself, but so much more was being destroyed to take the trees out of the forest.

This irresponsible and destructive action sparked their resolve to resist against the destruction and the assault on their land. They formed groups of about 100 people, armed with scythes and rifles. Actually, according to Seu Mucura, they had only two rifles, but they had to make it look like they had many more. In one of the first encounters, when they found a team felling trees, they encircled them, and two leaders of the locals who carried rifles approached them with an ultimatum to leave everything behind. Seeing a group of almost hundred "armed" people encircling them, the employees fled as quickly as they could. They would never realize that those a far had only pieces of wood in the shape and colors of a rifle. Over the course of the more than two decades of resistance, even the federal police harassed them, but finally on November 6, 1998, a federal government decree created the Tapajos-Arapiuns Extractivist Reservation (RESEX) with 647,610 hectares (Ministerio do Meio Ambiente, 2000).

2.2. Relation with SBMSS

The case of the Amazon Region and the traditional communities living there is a very special one. They are different from MST settlements in Southern Brazil where people want to become wealthier by increasing the production of private goods, and selling the surplus in the market. They are also different from MST settlements in the semi-arid region of the Northeastern Brazil, where the priority is to have enough to eat. To a certain extent, the people of the Amazon have some similarities with the landless people from the Northeast. They both rely on traditional wisdom to understand the natural environment and survive. In the Northeast, they survive by planting crops that can survive lack of rain, and in the Amazon, they only need to understand the large variety of sources of food, herbs, fish and animals.

In terms of the bounty provided by nature, the particular region of the RESEX is a prime example of a place in which free public goods are widely available. All those things are available for free to the population, as long as outsiders do not destroy the ecosystem. It is a case in which the

concern for private goods is reduced due to wide availability of free public goods. As a result, the SBMSS takes a unique form, in which the external environmental factors are relatively more important in determining the quality of their lives, and the internal factors have a less prominent role when compared to the case of MST described earlier.

Another important distinction and a clear advantage that the people from this RESEX have over social movements such as the MST is that they are considered the "residents" of this region, while the lumber companies are viewed as the "invaders." As a result, the government gave them the privilege to define the bylaws of the RESEX, which is equivalent to shaping the industry and government factors to their liking.

2.3. External factors: Change in the Environment and Other External Factors

The creation of the "extractivist reservations" was one of the most innovative in recent years that provided a legal framework to protect the tropical forest and the people living in those areas. According to David Bornstein (2004, 150), this is one of the new approaches that moves away from bureaucratic "command and control" approaches to a more decentralized bottom-up approach promoting innovation by those directly involved.

It is possible to see that such a life style will bring very positive results for the local environment. In the few years since the creation of the reservation, the local inhabitants say that the fish population, as well as game population has clearly increased. With the organization of the RESEX and related local associations (which are responsible for local governance) a more structured relationship with the government became possible, and the government's support for education has improved. Where some teachers were almost illiterate before the establishment of RESEX, today they are all high-school graduates at the least. Teaching materials are based on Paulo Freire's pedagogy, focusing on the reality of their lives. Textbooks have also been modernized. For instance, old

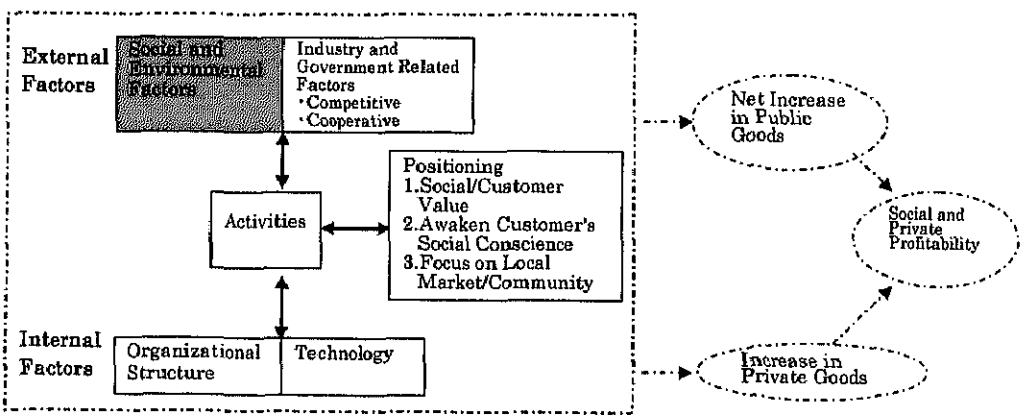

Figure 15: Social and Environmental Factors in the SBMSS framework.

textbooks that featured foreign animals such as lions, elephants, giraffes, zebras, and the like, now show alligators, anacondas, armadillos, and other animals from the Amazon.

2.4. The Industry and Government Related Factors AND Technology

An important set of rules strongly restricts the industry factors and protects the environment. These rules are defined in the "Utilization Plan of the Tapajos-Arapiuns Extractivist Reservation."[20] The plan was created by a participatory process carried out by the community with the help of the National Council of Rubber-Tappers, NGOs and local government agencies.

Some selected rules of the Plan are the following:

1. Raising water buffalos in the reservation is not allowed.
2. The extraction of oils, sap, seeds, leaves, crust, or fruits from the trees should be done through appropriate techniques that do not affect the health of the trees.
3. The use of woods from the forest is allowed only when it is for the benefit of the family, such as the construction of houses, canoes, or boats.
4. Fishing is only allowed through traditional methods such as bow and arrow, traditional fishing net, and the like, and only for subsistence.
5. Hunting is only allowed for subsistence.

Most of these rules are directed to outsiders, and they represent the result of learning from past sufferings inflicted by outsiders on the local population. In fishing, for instance, outsiders using fishing nets several miles long killed all sorts of living beings in the river. Even the mighty Tapajós, 19 km wide in certain places, had become fishless after years of predatory fishing. Fish had almost disappeared even from small rivers inside the reservation. Fish hunting with harpoons and masks

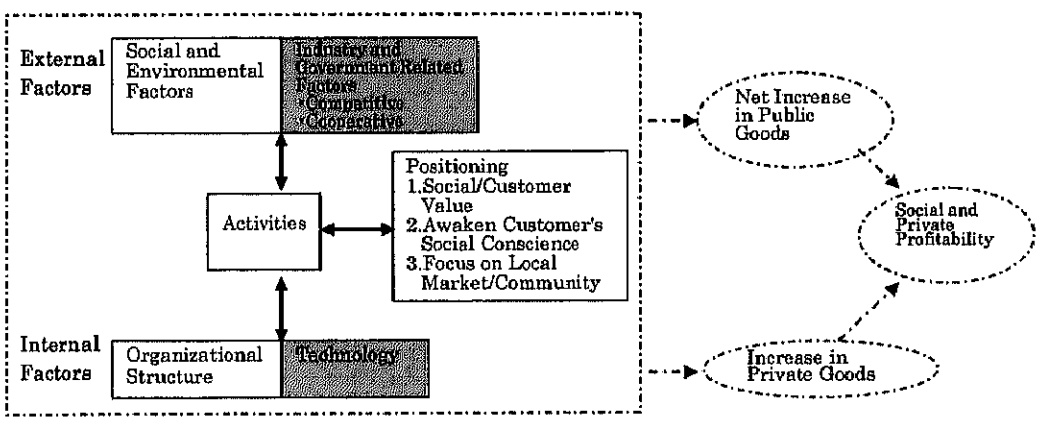

Figure 16: Industry and government related factors AND technology in the SBMSS framework.

20 Plano de Utilização da Reserva Extrativista Tapajós-Arapiuns.

brought by tourists was quickly adopted by the locals who saw how fun and easy was to hunt with this method, and nearly drove the fish to extinction. Some other predatory methods rooted in their own tradition, such as using the *timbó* poison taken from a wild vine to kill the fish, has also been forbidden.

The plan also defines much of their technological choices. The plan directs residents to rely on traditional knowledge of how to utilize nature's resources in a sustainable way. As the name of the reservation itself indicates, "Extractivist" means a reservation that extracts from the forest without destroying it. Figure 17 below presents some of the technologies used in the RESEX.

Agriculture is also practiced by most of the residents, but they try to preserve as much of the forest as possible planting several species of trees in patches of light forest.

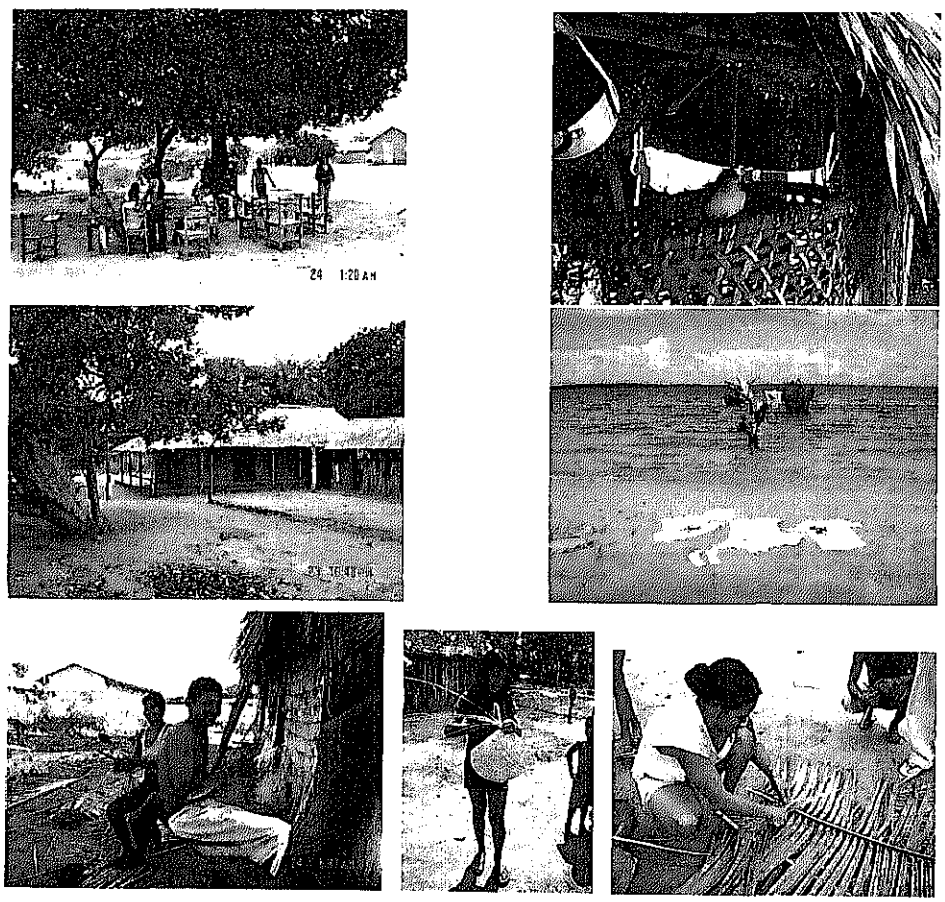

Figure 17: Local technology (clockwise starting at the bottom left): Local man knitting a fish net; local house featuring roof made of palm leaves; classroom in nature; "live" music; washing without a machine; local women knitting a roof decoration; local girl knitting a basket.

2.5. Organizational Structure

Some communities are formally organized in associations. In 2001 there were 22 associations and 64 communities. Associations are formally recognized by the government and can therefore propose projects and receive support for improvements of their communities.

These associations are organized in the traditional way with a board of directors with functions such as president, treasurer, and secretary, among others. In general, the organizational structure cannot be said to be innovative, but locals reported that there was an effort to encourage women to participate actively as directors to the extent possible. While the proportion is still smaller than that of men, I had the opportunity to meet several women directors and one president of the association, during my first visit in 2001. In 2004, it was possible to see that women continued active, but the rise in participation is still a work in progress.

Participation in the board of directors is not the only way to see the empowerment of women. For instance, in 1990, the community of Muratuba was debating whether *pinga*, an alcoholic beverage produced from distilled sugarcane, should be forbidden. The proposal had come from the women, and since consensus could not be reached, the decision was made by vote, and *pinga* was banned from the community.

2.6. Activities

The interaction of the external factors (particularly represented by the Utilization Plan of the Extractivist Reservation) and the Internal Factors (internal organization and traditional knowledge) produce a unique set of activities based on local tradition and knowledge of nature.

Traditional methods are used for agricultural production. There is no large scale production, and many cultures share the same piece of land. For instance, rubber tree, banana, mango, cupuaçú, carambola, açaí, all share the same sparse area of forest. However, Seu Mucura explained that experience has shown that orange trees and macaxeira plants need plenty of sunshine, so they cannot be planted together with other cultures in the forest. Macaxeira is a typical aboriginal culture and is processed into tapioca, macaxeira flour,[21] and a popular sauce that before being cured under the sunlight can also be used as a powerful insecticide.

In recent years, honey production and fish cultures has been started for more stable consumption and commercialization.

21 For the locals, macaxeira flour is almost as popular as rice is for the Japanese, being one of the main food staples at the table.

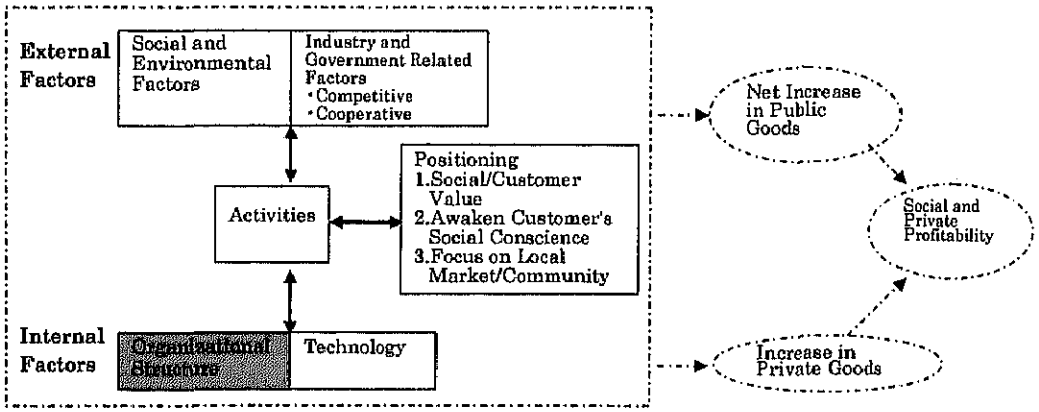

Figure 18: Organizational structure in the SBMSS framework.

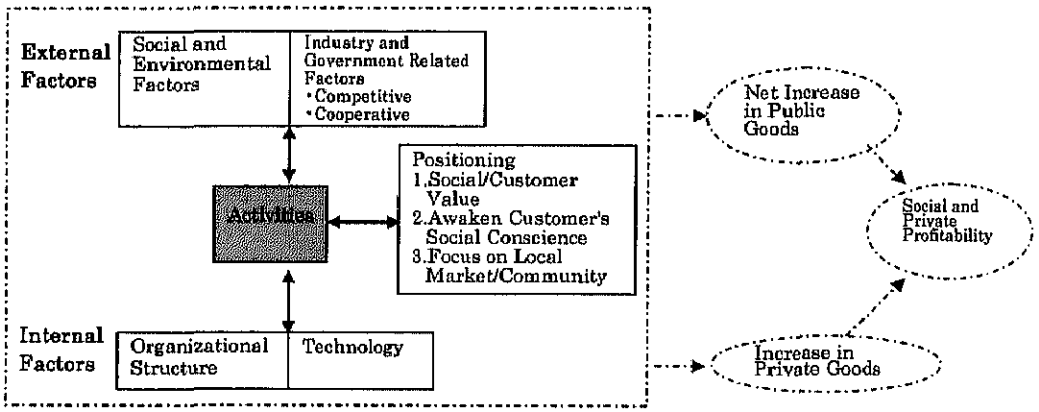

Figure 19: Activities in the SBMSS framework.

2.7. Social and Private Profitability

According to community members, the establishment of the RESEX followed by the internal rules defined by the local population has allowed nature to recover. Fish that had been literally wiped out from the Tapajós River due to over fishing by private fishing boats is now recovering, and game for hunt has also recovered.

3. Community Revitalization Initiatives Driven by Organic Waste Recycling in Japan[22]

3.1. Introduction

When Japanese people talk about sustainability, they will generally refer to self reliance for food

22 See also Doi for a more detailed description of each initiative.

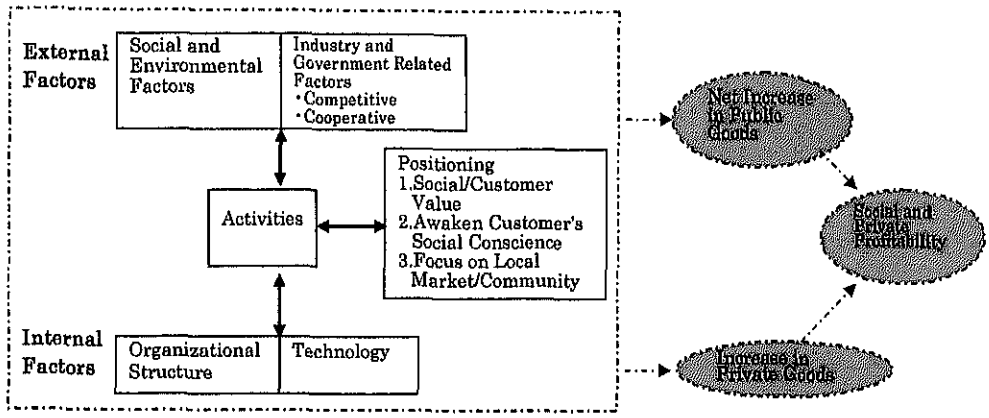

Figure 20: Public goods, private goods, and social profitability in the SBMSS framework

supply. The thought of depending on imports to fulfill its food needs is a major strategic concern manifested in many industrialized countries, and it is no exception in Japan.

Japan currently imports huge amounts of food, and as an affluent society generates a significant amount of organic waste.

This section talks about community building initiatives that have sprang up in Japan driven by what many people perceive as the wastefulness of modern life style. As Japan became an affluent society, the amount of waste became voluminous, and given that space availability for landfills is limited in Japan, all burnable waste is burnt. Burning waste, although reduces the volume of waste, still produces a significant amount of ashes that has to be appropriately disposed. Also, it discharges pollutants into the atmosphere, and it is costly because it requires appropriate facilities and fuel to burn waste. Finally, much nutrients contained in the organic garbage could be reused, but are simply wasted in the costly process of burning.

Three community initiatives in Mie, Saga, and Tochigi prefectures were studied. All three initiatives have in common the establishment of a composting facility with the objective of reusing waste as organic fertilizers in agriculture. The founders of these local movements all belong to the food industry; though in different stages of the food processing chain as listed below (See also Figures 21 and 22):

1. Waste collection: Konosuke Katano, president of Sanko, a waste processing company located in the City of Hisai (~ 42,000 inhabitants), Mie Prefecture.
2. Farming: Yukio Kokubo, director of the Agricultural Producers' Cooperative Corporation Donkame, located in the City of Haga (~ 17,000 inhabitants), Tochigi Prefecture.
3. Consumption: Toshiaki Fukuda, owner of the restaurant Steak Salon, located in the City of Imari (~ 60,000 inhabitants), Saga Prefecture.

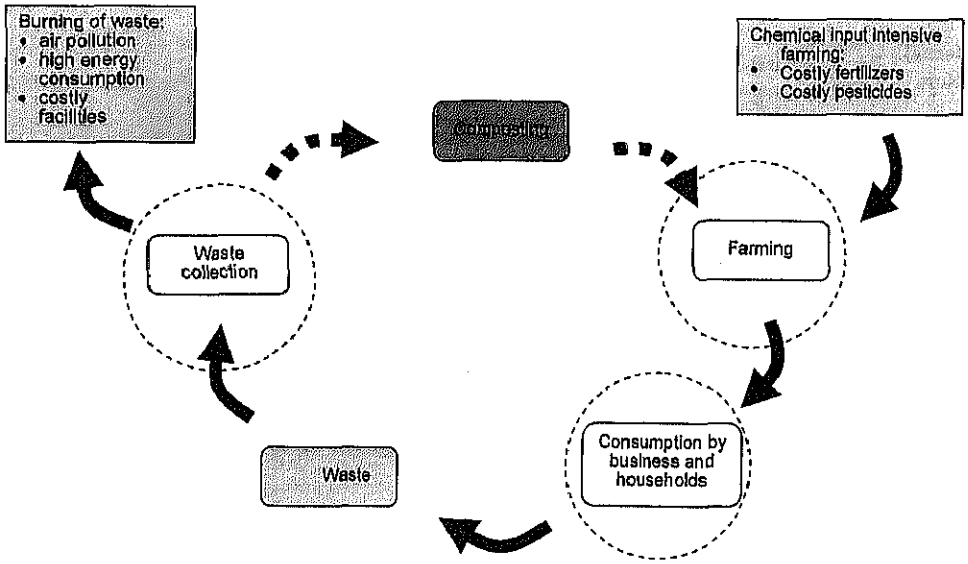

Figure 21: Life cycle of agricultural produce without and with composting.

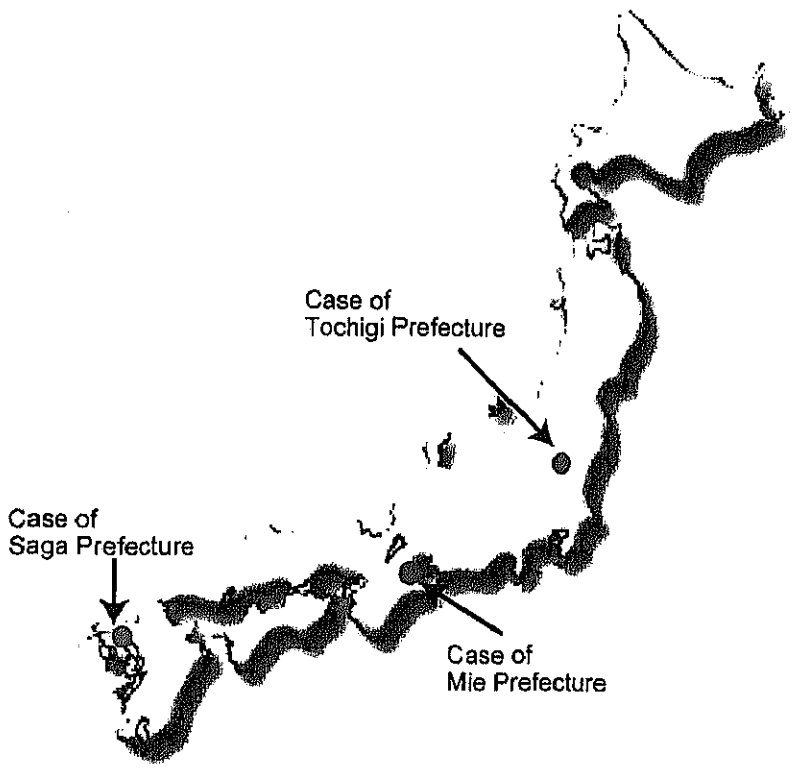

Figure 22: Geographic location of cases studied in Japan.
Source: Reproduced from Doi, 43.

Mr. Katano from Mie Prefecture, as the owner of a waste collection company, started wondering about how to better dispose waste around 1987, when the Ministry of Welfare discussed the problem in their White Paper. Mr. Katano looked for partners to work together but since nobody came forward he decided, in 1988, to start working alone on the problem. In the first five years he improved his company's ability to recycle Styrofoam and pet bottles, and in 1993, he started working with organic garbage. After many years of trial and error, and the cooperation from researchers and professionals, he was able to transform organic waste into quality compost in 1995. At that time, however, farmers looked at the use of "garbage" as fertilizers with significant skepticism. This difficulty was a common barrier faced by all the above mentioned social entrepreneurs as they tried to bring a new activity driven by the sense of social responsibility in a milieu driven by the primacy of market forces. For the farmers, the concern was that they did not have anything to gain by taking the risk of using compost, while the risk of losing trust (by using dirty garbage in their cultures) from clients in a society where accountability is taken extremely seriously was enormous.

A small group of farmers, however, started trying the compost on small experimental fields and their feedback allowed Mr. Katano to fine tune the quality of his compost. In the process, he realized that he needed a deeper understanding of agriculture to produce high quality compost, and decided to start his own small experimental field. In 1998, he expanded the fields and started his own farming business.

In November 2000, Mr. Katano and his associates formed a network of farmers called Kosonosato, a group of 13 farmers using compost produced by Mr. Katano. At the same time, he built a direct sales point to distribute their products directly to the consumers, and established exclusive sales outlets inside local supermarkets.

Mr. Katano's efforts brought an unexpected windfall as those who started testing his compost and increasingly adopted it hit an emerging consumer demand for healthier produce. Generally the average farmer family income in this area is in the range of 300,000 yens (about 2,600 dollars) a month, which in Japan leaves such businesses in the brink of closure. His farmer associates today make an average of about 500,000 yens, and some have expanded their businesses to a volume of 1 million yens per month. Mr. Katano's farm sale is in the range of 4.8 million yens a year, and for 2005 he is projecting an annual sales volume of 7 million yens or more.

In the case of Mr. Kokubo from Tochigi Prefecture, the initiative was motivated by their heightened conscience that the soil was increasingly losing fertility. "There was the reality of moving away from the cycle of nature, and accepting the use of large amounts of chemical fertilizers and pesticides as the unavoidable path of agricultural production." He started studying how he could recover the topsoil. Talking about the time when he made that decision in September 1995 he mentioned that

"If organic garbage and other related waste can be turned into compost and be recycled into the local soil, the fertility of the soil will be recovered and the produce will become more energized. What was lacking was the conscience to recycle, and the gratefulness toward the fields, food, and life derived from nature. I learned the obvious lesson that if we can be in sync with the natural cycles, we can achieve sustainable agriculture."

As he studied the issues regarding the fertility of soil, he noticed that many recyclable resources in his community were being wasted, often burnt in the public incinerators as nuissance. Therefore, he systematically identified all resources that could become part of this community resource recycling system and presented a proposal to the government authorities of the City of Haga. The project, however, was not approved.

Convinced that recycling was the answer to the problem of loss of soil fertility, he established an agricultural cooperative in September 1995. Eighteeen months later, in March 1997, with the support of an industrial machine producer, Mr. Kokubo started the operations of his recycling plant at a corner of his agricultural field. In the beginning he offered to recycle the organic garbage of the city's commercial district for free, and all initial investments in machines and equipment were made at his own personal risk.

At the time of the interviews in July 2004, his network of suppliers of organic garbage was comprised by 15 public facilities such as schools and daycare centers, 15 stores selling food products, and 6 large firms from the industrial district of Haga, totalling about 2 tons of garbage a day. The compost produced in his facility is in turn used by 50 farmers, members of the agricultural cooperative he initiated in 1995.

In September 2000, Mr. Kokubo started with four farmers from the neighborhood, a network called "Study Group on Recycling" and created a seal identifying their products as part of a recycling initiative in town. The Study Group is comprised by a group of farmers committed to supporting the community recycling initiative and has currently a membership of 25 farmers. The Group has a sales corner in the producer's direct sale market built by the city of Haga.

As a restaurant owner, Mr. Fukuda, from Saga Prefecture, felt bad every time he disposed of organic waste, wondering whether there was any way to reuse such garbage. His initial proposal to start recycling organic garbage was approved by the Association of Restaurant Owners of Imari and the Association of Hotel Owners in 1992, but nothing happened until 1998 when he decided to start experimenting with organic garbage recycling himself. He started his tests at the back of his restaurant but when the number of flies and bad smell increased he decided to relocate his experimental composting plant to a remote rural area.

Although he had to spend his own money for several years, Mr. Fukuda steadily involved housewives and local businesses, and as of 2004 he had built a large network involving recycling organic garbage, energy saving initiative using oil from rape flower seeds to fuel diesel engine cars, environmentally friendly farming, environmental education, and local business network supporting the use of local currency to strengthen community ties.

3.2. Relation with SBMSS

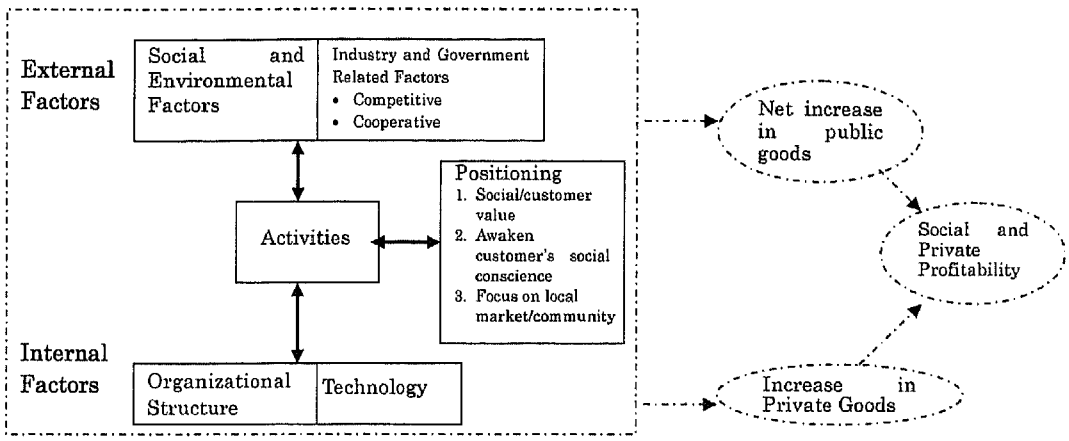

Figure 23: The SBMSS framework.

3.2.1. External Factors

Social and Environmental Factors — In these three cases in Japan, the entrepreneurs understood that there was an important environmental issue to be addressed; the problem of burning valuable organic waste which contributed to pollution and was costly to the local government and local community that paid the taxes.

Industry and Government Related Factors — Given that the government, through the white papers published annually by concerned ministries, was signaling changes required in the field of organic garbage recycling, the three social entrepreneurs correctly interpreted the future trends and tried to take appropriate advantage of moving into these new and needed areas of activity. However, each entrepreneur found a different level of support by the local government, and unlike the behavior of average private firms, decided to insist on the merit of their activities despite skepticism and lack of initial support by peers, local community, or the local government.

The average business would not have pursued to do business without the support of local governments and would probably have looked either for an environment with more favorable local governments or wait until the position became more favorable. Those dedicated to social enterprises,

however, are generally aware that their role is to open new path as pioneers and need to fight against either the lack of perception or misperceptions by government officials as well as the community and consumer themselves. The social entrepreneurs described here never took no for a response, and always persisted in seeking the understanding of the government or the community regarding an actual or potential social issue that has not yet been comprehended by them.

3.2.2. Internal Factors

Technology — The fermentation technology is the mainstay in all three cases. This choice of technology transforms what was previously an open ended system — which had seeds and chemical fertilizers as inputs, and ashes and gaseous pollutant emissions as outputs — into a closed loop system in which organic garbage is composted, reused in the fields as fertilizers to grow plants and vegetables, consumed by the community, brought to processing centers and then transformed into compost again.

Organizational structure — The three cases are organized differently, but none of them is hierarchic. The first initiated by Mr. Katano is a loose network of 13 farmers under the denomination of Kosonosato. The second, founded by Mr. Kokubo is again a network of public facilities, traders, and farmers, all joined by the benefits of working on a commercialization scheme that stresses the opportunities to all parties to participate, collaborate, and profit from it. The third, founded by Mr. Fukuda, is a network of networks involving volunteer housewives, farmers, and local businesses. The housewives bring garbage to collection centers distributed around the town, they also clean and maintain these stations. The farmers plant rape seed flowers to produce vegetable oil for use in schools. The used oil is later collected and processed to be used as fuel by the farmers in their own tilling machines. Local business owners participate as bona fide service providers to help revive the community through the issuance of a community currency, called *Hattchi* led by Mr. Fukuda. In all these cases, there is no hierarchical relationship but just the desire of everyone to help each other.

3.2.3. The Output of public and private goods

These initiatives can be all seen as examples in which concerns with the public good guided the choice of organizational structure and technology, and such choices shaped by social, environmental, and government factors became the engine to activities that brought about both private and public benefits to the community.

These initiatives were able to generate the following public goods or benefits:

1. Reduction of air pollutants resulting from reduction of garbage being burned in the incinerators.
2. Reduction in the use of chemical fertilizers, herbicides, and pesticides, thus reducing the level of chemical poisoning from the consumption of vegetables, increasing the sense of food safety in the community involved, and reducing the level of chemical poisoning of farm laborers.
3. Increase in community linkages driven by the need for voluntary and cooperative work in order

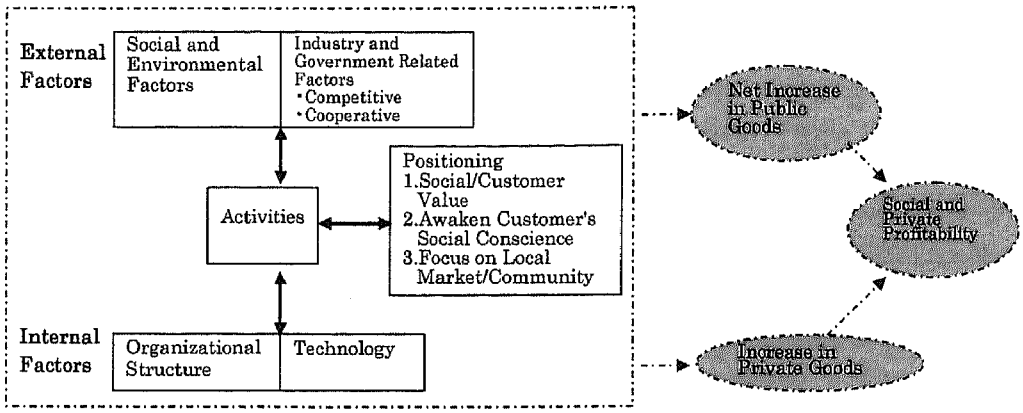

Figure 24: The outputs in the SBMSS framework.

to make a beneficial but uneconomical activity succeed.

4. New dynamism in the local market driven by the involvement, and mutual knowledge between producers and consumers that make local transactions more reliable.
5. Reduce outlays of local tax resources, making them available for other community needs.

The initiatives also generated the following private goods and benefits:

1. Increase in the income of local farmers who were able to position themselves as producers of healthy vegetables, create personal linkages with local consumers and obtain premium prices as a result.
2. Increase in local employment, as even these nonprofit initiatives need regular staff to ensure the conduct of core operations.

4. Conclusion

As we reflect about the strategies adopted by economic and social actors from distinct communities tackling the same issue of sustainable life styles from different perspectives, there is perhaps a common lesson.

Both in the Landless People's Movement in Brazil as well as in the communities in Japan, people were either struggling to survive or feeling the contradictions of the current production and commercialization system.

The logic driving the economic system is based on competition and profit. In order to be the most competitive and/or the most profitable firm, firms generally adopt business models such as the one shown in Fig 25 below. According to such business models, the most competitive firms are the ones that can best ensure the control of key resources, understand the main competitive factors

relevant in its industry, use them to its own advantage, make technology choices and shape organizational structures that can reduce cost and ensure maximum quality, and position its products in an advantageous manner in the market so as to deliver the highest customer value (used strictly in the sense of willingness to pay for the product).

It is easy to understand that the system filters and rewards the best performers, leaving very little if any to the worst performers. In many cases, just having been borne poor, having had fewer opportunities for education, and having had difficulties in finding a job seem to be a crime, because "average" or "successful" people will shun you as if you have "bad character" or you are "dirty" or you are afflicted by a "contagious disease." Being poor does not means just the inability to afford the material goods, which is already a strain, but it often represents being unable to access the rights to be respectfully treated as a citizen.

The question left to the poor and weakest is whether there is a place for those at the bottom? Why those who are weak, poor, and less talented cannot have a place to live and grow decently, without being dominated or oppressed by those who can perform better in economic activities?

As discussed in the case studies of Japan, the initiatives for recycling waste were driven by the sense that the affluent Japanese society was being too wasteful, and something should be made to recycle organic garbage to take advantage of the nutrients contained in it. These people were not driven by commercial or profit motives, but by the desire to do something good for society as a whole. The dominant neoliberal economic thought reflected in business models such as described in Figure 25 below does not include a concern with the public good. Even the recent movement within companies for corporate social responsibility is rationalized as something that creates a positive image for the company and therefore increases its profitability.

What the cases described above have in common is that they are not driven by short, medium or long term profit expectations. They are driven by REAL commitments with the public good. They are also concerned with the private good, and with profits, but only to the extent that such goods and profits enable them to have a decent and fulfilling life, a life in which they can pursue their dreams and talents as unique human beings.

Any person, groups of persons, or organizations willing to apply the SBMSS framework will not only produce private goods, but will also produce essential public goods as described in Figure 26 below.

In the BM based on the neoliberal thought, the firm will make choices in each of the major factors in a way that it will foster maximum profit because that is what the firm WANTS, that is what the BOARD WANTS, and that is what the department heads WANT, and so on until the last man. Many people working in private firms are under much stress because not everybody WANTS what

the firm and each of its divisions believe the employees SHOULD WANT. However, as an employee, anything you want to do must necessarily lead to the final WANT of the firm, or the maximization of the profit, if you want to be heard.

Similarly, we can argue that the SBMSS that follows a thought with the humans at the center will want to maximize the social benefit by contributing to the growth of public goods and private goods. The main difference with the BM, however, is that the SBMSS, even when it is dealing with the production of private goods, is driven not by the profit maximization goal, but by the opportunity to have everyone working on their self realization, their self fulfillment, and trying to be everything each of them can be.

This self interest should not be more or less than his or her commitment to his or her peers, as human beings. This commitment is represented by the respect for public goods, goods that are available to everyone free of charge. One especially important example is the natural ecosystems, and

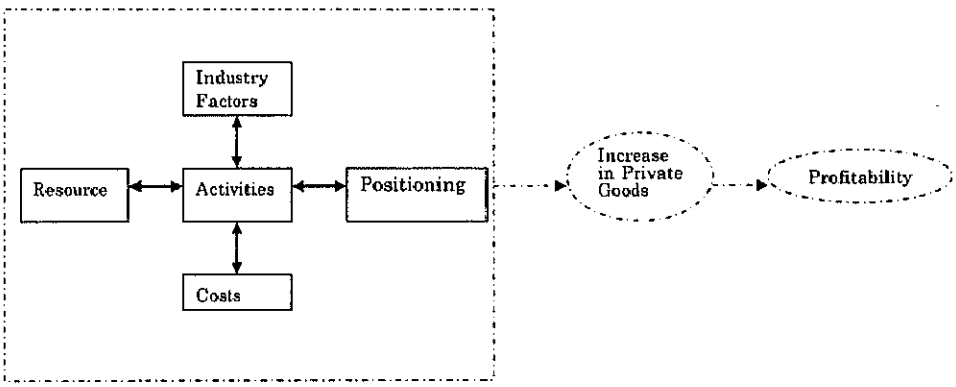

Figure 25: Components of a Business Model
Source: Modified from Afuah Figure 1.2, p.10.

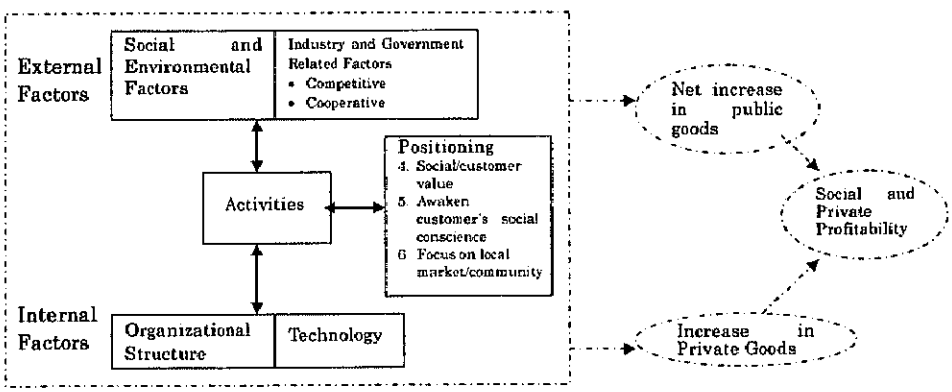

Figure 26: Components of an SBMSS

when these ecosystems are functioning well they purify water and air, they serve as habitats for thousands of species of animals and fish, and millions of species of plants, insects and microorganisms. Collectively, and including the topsoil, they are part of a living nature that produces food free of charge for all human beings rich or poor.

Therefore, the SBMSS can serve as a guide to all human beings who feel stressed within firms and organizations, because the predominant drive in companies following a BM is not directed to nurturing all human beings (inside and outside the organization), but only to those who can be the winners within the system.

If you feel stressed out in your firm, it is perhaps time to start testing SBMSS principles in the area under your responsibility. If there is no space for such an initiative, perhaps it is time to look for a different company that may be closer to the SBMSS principles.

The age old question, however, is "can firms driven by true altruistic values survive?" Can such a firm ever exist?

Social movements, and people who the humanitarian side has spoken louder, are actually building such new kinds of "firms" even though "firm" is not the name given to such initiatives. They are called nonprofit organizations, NGOs, associations, voluntary groups, etc. These organizations are generally concerned with the rights of certain groups, or monitor the activities of firms that are damaging the environment or exploiting illegal migrants or children. Few of these public goods and rights oriented groups are involved in the production of goods and services for the market.

At the other extreme, the firms that produce goods and services are increasingly incorporating symbolic activities of "corporate social responsibility" such as the protection of the environment or addressing social needs of the local community where the company is located. Usually, however, the "social" activities of these firms are more symbolic than substantive, and they generally do not criticize any other company or organization even if they are harming the public good or they are not doing enough for the common good of the local community. Their agenda is driven less by the concern to improve the world, than to avoid criticism that may hurt their corporate image.

On the other hand, those who pursue life in a nonprofit organization or in voluntary groups to help the poor[23] often find themselves using strategies that are closer to BM than SBMSS, and find themselves twice frustrated.

The central research question is how people can be gainfully employed in productive activities,

23 Comment from one participant in the "solidarity economy" panel at he 2005 World Social Forum in Porto Alegre, Brazil.

avoid damaging the environment, avoid exploiting other people, and find enough opportunities to develop his/her skills and talents? This is certainly a long process in construction, where the SBMSS is the first draft of the type of firms (or a hybrid between firms and nonprofits) that may arise and help move sustainable development closer to a real possibility.

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